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RICHARD L. SALLQUIST

October 3, 2006 Arizona Corporation Commission

DOCKETED

OCT -4 2006

Mr. Ernest Johnson, Director  
Arizona Corporation Commission  
Utilities Division  
1200 West Washington Street  
Phoenix, Arizona 85007

DOCKETED BY

NR

Re: Sunrise Utilities, LLC; Docket No. WS-04247A-04-0604, Decision No. 68247,  
dated October 25, 2006; consolidated with Beaver Dam Water Docket No. W-03067-04-  
0216; Compliance Filings

Dear Mr. Johnson:

The subject Decision requires several matters be completed by Sunrise Utilities, LLC (the "Company") within 365 days of the Decision date. A number of those items have been completed, and others are tied to the first service date, which is not yet occurred. However the Mohave County Franchise, the Arizona Department of Water Resources ("ADWR"), and the Arizona Department of Environmental Quality ("ADEQ") requirements are to be completed by October 24, 2006.

The Application for the Franchise will be filed within 10 days with the Mohave County Board of Supervisors, and is expected to be issued within 60 days thereafter. The ADWR Letter of Adequacy is, by statute, the Developer's responsibility. The Developers advise the Company that they are awaiting Final Plat approvals of their respective subdivisions which, of course, determines the total water demand for each subdivision. The Company is advised that these requirements for the Letter of Adequacy should be available and submitted to ADWR within 90 days, with approval approximately 6 months after the application.

The Company submitted its application for the Aquifer Protection Permit ("APP") to ADEQ on September 13, 2006, and is anticipating that approval within 9 months. The ADEQ Certificate of Approval to Construct ("CAC") for the wastewater plant, which will be processed concurrently with the APP, is expected within one month thereafter. The CAC for the on-site facilities is dependent upon the APP, so that CAC is expected at about the same time as the issuance of the APP. Applications for the on-site facilities can

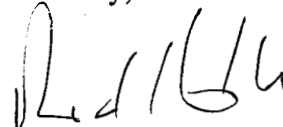
not be submitted for approval prior to final platting of the subdivision. Those CAC's are expected within 9-10 months.

The Company was also required to file a CAC for the arsenic treatment facilities, which was the subject of a Procedural Order dated December 14, 2005. The Company has received a new water quality report, a copy of which is attached, indicating that the water meets the new arsenic standard. Therefore, the Arsenic Treatment Plant previously contemplated will not be required, and the requirement of the Decision in that regard is not applicable.

The Company continues to work diligently with the Developers and agencies, but does need additional time to comply with the mandates of the Decision. Therefore, Company respectfully requests an additional 365 days within which to comply with the above cited requirements.

In the event you have any questions regarding these matters, please do not hesitate to contact the undersigned or Steve Timinskas at (702) 346-2280.

Sincerely,



Richard L. Sallquist

Enclosure

Cc: Docket Control (15 copies)  
Brian Bozzo  
Hearing Division  
George Timinskas  
Steve Timinskas